

## Message Text

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UNCLAS EC BRUSSELS 7038

FOLLOWING SENT ACTION AEC GERMANTOWN SEPT 13, 1974 NOW  
PASSED FOR YOUR INFO:

QUOTE:

PASS A.S. FRIEDMAN, DIP

E.O. 11652: N/A

TAGS: TECH

SUBJECT: MEETING AT EURATOMSUPPLY AGENCY

1. AS PREVIOUSLY INDICATED, THE EURATOM SUPPLY AGENCY HAS SCHEDULED A MEETING ON SEPT 17 IN BRUSSELS TO REVIEW WITH CUSTOMERS THEIR QUESTIONS ABOUT THE CONDITIONAL CONTRACTS FOR URANIUM ENRICHMENT SERVICE. THE FOLLOWING ADVANCED QUESTIONS THAT WILL BE RAISED AT THE MEETING HAVE BEEN GIVEN TO THE SUPPLY AGENCY.

A. WHAT HAPPENS IF THE USAEC GENERALLY AUTHORIZES IN THE USA THE USE OF PLUTONIUM BUT IF THE REACTOR OPERATORS ARE NOT READY AND NOT IN A POSITION TO ACTUALLY REALIZE THE RECYCLE, SO THAT THE EXPECTED EFFECT (REDUCTION OF THE TOTAL NECESSARY UNITS OF SEPARATIVE WORK) WILL NOT OR ONLY PARTLY OCCUR?

B. IF A FINAL "CONDITIONAL CONTRACT" WILL BE CONCLUDED, IS THE CONCERNED REACTOR OPERATOR OBLIGED TO USE PLUTONIUM?

C. THE WILLINGNESS OF THE USAEC TO COVER THE NEEDS UNTIL 30.6.82 AS PROVIDED FOR IN PARA 2 OF THE NEW ARTICLE XII SHOULD ALSO EXIST, IF THE ENRICHING SERVICES SHOULD BE POSSIBLE BY ANOTHER SOURCE OUTSIDE THE USA IN CASE THAT THERE IS NO  
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POSSIBILITY OF DELIVERY IN THE USA?

D. THE POSSIBILITY OF TERMINATION OF THE " CONDITIONAL CONTRACTS" BY THE USAEC UNTIL 1.7.75 SHOULD ALSO INCLUDE THE SAME POSSIBILITY FOR THE CUSTOMERS (I.E., IN THE CASE OF AVAILABILITY OF ANOTHER ENRICHING PLANT, ALSO OUTSIDE THE USE)?

E. WHY IS THERE A NEED FOR CONTRACTS TO BE SIGNED BY 31 OCT 74 WHEN THE QUESTION OF PLUTONIUM RECYCLE MAY BE KEPT OPEN UNTIL 1 JULY 1975?

F. HOW IS THE PROVISION WHICH ALLOWS THE AEC TO TERMINATE CONDITIONAL CONTRACTS PURSUANT TO SECTION I OF ARTICLE XIII COMPATIBLE WITH THE PRESIDENTIAL STATEMENT, WHICH WAS LATER CONFIRMED BY THE AEC, THAT ALL CONTRACTS WOULD BE FULFILLED IN ANY EVENT? WHAT GUARANTEE HAS A HOLDER OF A CONDITIONAL CONTRACT THAT, IN THE EVENT OF NONAUTHORIZATION OF PLUTONIUM RECYCLING, HE WILL NOT FIND HIMSELF WITHOUT A SUPPLIER?

G. SECTION 2 ARTICLE XII SUGGESTS THAT THE ONUS FOR FINDING ALTERNATIVE US SOURCES OF SUPPLY LIES WITH THE CUSTOMER. IS THIS SO?

H. HOW DOES THE AEC JUSTIFY THE PAYMENT OF TERMINATION CHARGES BY THE CUSTOMER PURSUANT TO SECTION 4,5 AND 6 OF ARTICLE XII WHEN THE AEC CAN TERMINATE WITHOUT PENALTY PURSUANT TO SECTION 1 OF ARTICLE XII? WHAT IS THE BASIS USED BY THE AEC IN DERIVING THESE TERMINATION CHARGES?

I. WHAT IS THE POSITION OF THE URANIUM CONTRACTS IN THE CHRONOLOGICAL ORDER OF ACCESS TO AEC CAPABILITY?  
A FURTHER QUESTION, WHICH MAY BE BETTER DEALT WITH IN THE MEETING OF CUMMUNITY CUSTOMERS ONLY,IS:

J. WHAT PROGRESS HAS BEEN MADE WITH THE AEC IN OBTAINING THE PAYMENT OF INTEREST ON ADVANCE PAYMENTS MADE PRIOR TO 30 JUNE 1974?

2. GUIDANCE ON ANSWERING THE QUESTIONS IS REQUESTED BEFORE COB ON SEPT 16.GREENWALD

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